



REPUBLIC OF NAMIBIA

MINISTRY OF PUBLIC ENTERPRISES

Office of the Minister

Directive

SUBJECT: FOREIGN TRAVEL BY MEMBERS OF THE BOARDS OF DIRECTORS OF PUBLIC ENTERPRISES

INTRODUCTION:

Public Enterprises in Namibia have been established with the specific objective of playing a pivotal role in economic growth and development.

In other words, public enterprises must see themselves as centres of excellence geared towards promoting economic growth, national development and poverty eradication through high and ethical standards of business conduct.

As a matter of principle, boards of directors and management must strive to the utmost to exercise prudence in incurring expenses and to make good business decisions that are invariably underscored by the abiding considerations of cost-benefit analysis to the enterprise which they are overseeing, in the case of Boards of Directors, and which they are running, in the case of management.

Financial transparency and financial accountability must underscore every business decision of a given public enterprise.

It is against the backdrop of the foregoing objective realities in the public enterprise sector that this draft directive must be viewed in its proper perspective.

LEGAL AUTHORITY FOR THE DIRECTIVE:

Section 4(1)(d) of the State-owned Enterprises Governance Act, 2006 empowers the Minister responsible for public enterprises to lay down directives in relation to a number of subject-matter. Section 4(i)(a) also empowers the Minister **"to establish generally accepted common principles of good governance and good practice governing State-owned enterprises"**.

SCOPE/PURPOSE:

1. This directive does not seek to impose a blanket ban on foreign travel by board members.
2. The directive primarily seeks to ensure that the scarce financial resources of public enterprises are appropriately utilized/expended.
3. It seeks to ensure that travel by board members is consistent with the business needs/objectives and core business of the public enterprise.
4. Travel by board members must be cost effective.
5. It must be via the lowest cost alternative consistent with good business practices.
6. Neither luxury nor sub-standard modes of transportation or accommodation should be used.

EXCEPTIONS TO LOWEST PRICED AIRFARE:

1. Airfare is restricted to lowest priced airfare available and must be via the most direct and economical means, however, exceptions are provided for:
 - medical conditions;
 - prolonged travel or unreasonable travel hours where international flights exceed six hours in duration.
2. In these circumstances, board members may fly Business Class but properly documented motivation must be provided.

IMPACT OF THE DIRECTIVE ON EXISTING TRAVEL POLICIES:

Existing travel policies must be revised so as to be consistent with this directive.

APPLICATION PROCEDURE FOR FOREIGN TRAVEL:

1. A formal application must be made to the Minister of Public Enterprises at least one full month in advance (or as early as possible).
2. The application must include the following:
 - i) Motivation for the trip showing that it is in line with the mission/goals/objectives/business needs of the enterprise;
 - ii) Cost of the trip;
 - iii) Confirmation from the Managing Director or Chief Executive Officer that funds have been budgeted for, are available and have not been verimented;
 - iv) Board member travel and related expenses, shall only be authorized in circumstances which are clearly consistent with the mission/goals/objectives and business needs of the public enterprise.
 - v) The Minister of Public Enterprises will confirm with the line Ministries and inform the board member of the outcome.

BOARD FEES WHILE ON FOREIGN TRIPS:

No board related fees/allowances shall be payable to any board member who travels abroad on an authorised trip (for the purpose of said trip).

EXPENDITURE COVERED BY THE PUBLIC ENTERPRISE:

The entity shall only be responsible for the:

- Daily subsistence and travel allowance;
- Flight tickets;
- Accommodation/lodging of the board member.

CONSEQUENCES OF UNAUTHORIZED FOREIGN TRIPS:

1. Any board member who undertakes an unauthorized foreign trip, shall be deemed to be indebted to the public enterprise for the full expenditure incurred for such unauthorized foreign trip.
2. Such indebtedness by a board member shall be fully recoverable in a civil action in an appropriate court of law.

This Directive is effective immediately and all Public Enterprises are expected to adhere to the provisions as contained.



Leon Jooste, MP
(Minister)

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